

Introduction to Management

Module 4

*Human Resources Management;
Training and Development*

Chapter-7

HUMAN RESOURCE MANAGEMENT

(Fundamentals of Staffing)

INTRODUCTION

- *Staffing is the process of attracting, developing, evaluating and compensating individuals at work.*
- *One of the important duties of human resource managers is to help the organisation reach its goals through effective and efficient utilisation of human resources.*

Meaning of Staffing

- Staffing is the process of attracting, developing and evaluating individuals at work.
- It is concerned with the
 - selection, placement, growth and
 - development of people in an organisation.
- Staffing is the process of
 - acquiring, deploying, and retaining a workforce of sufficient quantity and quality
 - to create a positive impact on the organization's effectiveness

DEFINITION

- According to McFarland, “Staffing is the function by which managers build an organization through the recruitment, selection, and development of individuals as capable employees.”
- According to Koontz, O’Donnell and Heinz Weihrich, “The management function of staffing is defined as filling position in the organization structure through identifying workforce requirements, inventorying the people, recruitment, selection, placement, promotion, appraisal, compensation, and training of the people.”

Main features of Staffing

Staffing involves people : Staffing is difficult because it deals with people. Unlike the other managerial functions such as planning, organising and controlling which are totally objective and performed almost mechanically, staffing function is difficult to perform.

Staffing is development-oriented :

- *Staffing is not simply hiring people.*
- *It aims at developing people through training.*
- *It aims at maintaining people with appropriate compensation policies.*

Main features of Staffing (Contd....)

Staffing is continuous :

- People join and leave organisations for a number of reasons.
- To meet the growing needs of an organisation, new hands have to be hired from time to time.
- Thus, staffing is a continuous activity and it is an integral part of management process.

Staffing is a three step process :

- *Hiring the right kind of people to fill vacancies*
- *Developing their skills through training*
- *Retaining them by creating favorable conditions of work*

Importance of Staffing

1.It is the Key to other managerial functions :

- Right kind of people can translate Org plans into results easily :
 - They can in turn use resources effectively
 - Keep activities on the right track and achieve the objectives smoothly.

2. We can Design a sound organisation :

- Proper recruitment and selection practices enables attracting talented people into its fold.
- Jobs are put in the hands of the best brains, paving the way for the right kind of work atmosphere and culture.

3. Helps in Employee Motivation to do an outstanding work :

- With the right kind of people, and if their contributions taken note of and rewarded properly. it is possible to achieve objectives smoothly.

Other functions of Staffing

Staffing is related to other functions of management in the following manner :

1. Planning : Planning is deciding in advance what is to be done. Here, decisions are made regarding who is to do it, how is to be done, where is to be done, etc. Plans will not be yielding results, unless right kind of people are appointed to take care of the above decisions.

2. Organising : Once plans are formulated, managers must organise human and physical resources properly and design the organisation that will enable people to carry out the plans by filling the various job positions with the right kind of people to perform the duties.

3. Directing : Unless right kind of people are selected initially, it will be difficult to get things done. Staffing needs to be in the right direction.

Human Resource Management

- Human resource management can be defined as –
 - “employing people;
 - developing their knowledge, skills, and attitudes; utilizing their services purposefully & compensating appropriately;
 - in tune with the organizational requirements”
- HRM is concerned with the most effective use of people to achieve organisational and individual goals.

Features of HRM

- 1. Inherent part of management :** Selecting people, training, motivating, appraising their performance for improving their quality: is all inherent and internal to the management.
- 2. Pervasive function:** Present at all levels of Organisation
- 3. Action oriented :** Focuses attention on action, rather than on record keeping/paper work.
- 4. People oriented :** HRM is all about people at work by assigning them jobs, motivating, getting results & rewarding
- 5. Future oriented :** Effective HRM helps organization meet its goals

Features of HRM (Contd..)

- 6. Development oriented** : HRM develops employees to reach their full potential through : training, job rotation, and rewarding.
- 7. Integrating mechanism:** Maintains cordial relationship between groups of people working at various levels in organization.
- 8. Comprehensive function:** Concerned with every organizational decision which has impact on the workforce.
- 9. Continuous function:** HRM is not a one shot deal it cannot be practiced one hour a day, or one day a week. It requires constant awareness and alertness of human relations in every day operations.
- 10. Based on human relation:** Every person has different need, perception and expectations which needs to be taken care.

Objectives of HRM

1. To provide the organization with well trained & well motivated employees
2. To employ the skills and abilities of the workforce efficiently
3. To increase employees job satisfaction and self actualization (stimulate employees to realize their potential)
4. To develop & maintain a quality of work life.
5. To communicate HR policies to all employees.
6. To be ethically & socially responsive to the needs of the society (ensuring compliance with legal & ethical standards)
7. To provide an opportunity for expression & voice in management
8. To provide efficient leadership which is acceptable to all
9. To establish sound organizational structure & working relationships.
10. To help the organization reach its goals.

Personnel Management

Is about :

- Personnel Management is essentially concerned with seeing that the organisation attracts and hires qualified, imaginative and competent people for the organisation.
- This function also involves the establishment of various policies to deal with the employees and to retain them with the organisation.
- **Personnel management** focuses on **personnel administration**, employee welfare and labor relation. **Human resource management** focuses on acquisition, development, motivation and maintenance of **human resources in the** organization.

Features of Personnel Management

Personnel Management is –

- Concerned with employees. (both as individuals and as a group of attaining goals). Covers all levels and all categories of employees, in all types of organisation in the world
- And their behaviour, emotional and social aspects of personnel.
- For the development of human resources
- as a continuous and never ending process
- Aims at securing complete cooperation from all employees in order to attain the organizational goals.

Personnel Management - Functions

Functions of Personnel Management comprise planning, organising, directing and controlling. *Let us see each one of them in brief*

- **Planning** : A personnel manager plans in advance the trend in wages, labour market, union demands etc.
- **Organising** : According to J.C. Massic, “An organisation is a structure, a framework and a process by which a co-operative group of human being allocates its task among its members, identifies relationships and integrates its activities towards common objectives.”
- The personnel manager has to design the structure of relationships among jobs, personnel and physical factors so that the objectives of the enterprise are achieved.

Personnel Management - Functions (Contd..)

- **Directing** : This function relates to guidance and stimulation of the workforce at all levels.
- **Controlling** : Continuous monitoring of the personnel policies relating to training, labour turnover, wage payments, interviewing new and separated employees etc., is the backbone of controlling.
- Controlling helps the personnel manager to evaluate the performance of employees and to take corrective action for any deviations.

Personnel Management (Operative Functions)

The operative functions of personnel management are related to specific activities personnel management viz., employment, development, compensation and relations. These functions are to be performed in conjunction with managerial functions.

- **Employment** : It is concerned with procuring and employing the people possessing necessary skill, knowledge, and aptitude etc. to achieve the organisational objectives.

It covers the functions such as:

Job Analysis,

Human Resource Planning,

Recruitment,

Selection,

Placement,

Induction and orientation

Personnel Management - Functions

(Managerial and operative) (Contd..)

- **Human Resource Development** : It is process of improving, molding, changing and developing the skills, knowledge, creative ability, aptitude, attitude, values and commitment of the workforce based on present and future job as well as organisational requirements.

This function includes :

Performance appraisal; Training; Management Development; Career Planning & Development

- **Compensation** : It is process of providing equitable and fair remuneration to employees. It includes :

Job evaluation

Wage and salary administration

Incentives

Bonus

Fringe benefits

Social security measures

Personnel Management - Functions (Contd..)

- **Human Relations** : It is an area of management practice that leads in integrating people into work situation in a way that motivates them to work together productively, with satisfaction.
- **Effectiveness of Human Resource Management** : Effectiveness of various personnel programmes and practices can be measured and evaluated by means of organisational health and human resource accounting.
 - **Organisational Health** : *Looking into employees contribution to organisational goals and the employee job satisfaction.*
 - **Human Resource Accounting** : HRM is said to be effective if the value and contribution of human resources to the organisation is more than the cost of human resources.

Human Resource Development

Introduction

- HRD is a set of systematic and planned activities designed by an organization to provide its members with opportunities to learn necessary skills to meet current and future job requirements.
- HRD activities should begin when an employee joins an organization and continue throughout his or her career, irrespective of the authority and responsibility level that the person holds.
- HRD programs are focused on integrating long terms plans and strategies of the organization with the requirements of changes in the job to ensure the efficient and effective use of all the resources available to the organization.

Features of Human Resource Development

- HRD
 - is a system
 - is a planned process
 - is an interdisciplinary concept
 - aims at development of employee competencies

Human Resource Planning

- *Human Resources planning is a process by which management determines how the organization should move from its current manpower position to its desired manpower position.*
- *Through HR planning, management strives to have the right number and the right kind of people, at the right place, at the right time.*
- *It is a complex task which estimates the future demand and supply position of HR in the organization.*

Human Resource Planning as a Concept

- *Human Resource Planning is both a process and a set of plans.*
- *An effective HR plan also provides mechanisms to eliminate any gaps that may exist between supply and demand.*
- *Thus, HR planning determines the members and types of employees to be recruited into the organization or phased out of it.*
- *Dynamic by nature, the HR planning process often requires periodic readjustments as labor market conditions change*

Why is HR Planning important ?

If used properly, it offers a number of benefits :

- **Reservoir of talent** : The organisation can have a reservoir of talent at any point to time. People with requisite skills are readily available to carry out the assigned tasks.
- **Prepare people for future** : People can be trained, motivated and developed in advance and this helps in meeting future needs with high-quality employees quite easily.
- **Expand or contract** : If the organisation wants to expand its scale of operations, it can go ahead easily. Advance planning ensures a continuous supply of people with requisite skills who can handle challenging jobs easily.

Why is HR Planning important ? (Contd....)

- **Cut costs** : Helps in controlling manpower costs by avoiding shortages / excesses in manpower supply. The physical facilities such as canteen, quarters, school, medical help etc., can also be planned in advance
- **Succession planning** : Prepares people for future challenges. All multidimensional companies for example, have this policy of having a 'hot list' of promising candidates prepared in advance. Such candidates are rolled over various jobs and assessed and assisted continuously. When the time comes, such people 'switch hats' quickly and replace their respective bosses without any problem.

Objectives of HR Planning

Forecasting Human Resources Requirements

Effective Utilization of HR

Effective Management of Change

Realizing the Organizational Goals

Benefits of HRP to summarise

- Defining future personnel needs
- Cost effective
- Better planning for the employee development
- Coping with change
- Providing base for developing talents
- Forcing top management to involve in HRM
- Helps to make strategic decisions relating to hiring and training of the manpower

Chapter- 8

Training and Development

Training and Development

- In the knowledge driven world of today, changes is happening so fast. Even to stay at the same place, the organizations have to really stretch themselves.
- Strategic advantage to the organizations comes only from its core competences, which can be gained only by enhancing the capabilities of its employees.
- Such levels of excellence can be achieved only by investing in updating the skills and knowledge of their employees.
- Training the employees is the best option available for the organizations to catch up in this changing world.

Difference between Training and Development

Although the terms training and development are used together, they are often confused.

- **Training** means learning or enhancing the skills and knowledge necessary for a particular job or a group of jobs;
- **Development** refers to the growth of an individual in all respects. An organization works for the development of its executives or potential executives in order to enable them to be more effective in performing the various functions of management.

Training is mostly defined as

- An organized activity for
 - Increasing the knowledge and skills of people for a definite purpose.
 - Through a systematic way of transferring technical know-how to the employees.
- A program through which the employee trainees acquire technical knowledge, skills and problem solving ability.

What does Training Include?

There are three elements of training – purpose, place and time.

- **Purpose** : Training without a purpose is useless because nothing would be achieved out of it. The purpose must be identified carefully
- **Place** : Whether it has to be *on the job or off the job*. If off the job, where a training programme should be. Place would decide the choice of training method and also influence its effectiveness.
- **Time** : This can have a lot of ramifications in terms of the cost of training and its ultimate efficacy in achieving the desired results. (A late training would provide outdated knowledge, which would be useless for the employees).

Objectives of Training

The training objectives can vary, depending upon the nature of the organization, the skills required to be imparted and the current skill levels.

But broadly the objectives of training are:

- To increase the knowledge of workers through *enhancing the present skills set or acquiring new skills required*
- *To bring about change in the attitudes of the workers* towards fellow workers, supervisor and the organization.
- *To prepare employees for higher jobs* with advanced technology
- *To improve the overall performance of the organization.*

Importance of Training

Training is important, not only from the point of view of the organization, but also for the employees. It gives them greater job security and an opportunity for career advancement.

A skill acquired through training is an asset for the organization and the employee.

The need for Training arises due to :

Changing Technology

Demanding customers

Thrust on increasing the productivity

Higher accuracy and quality of output

Improved and higher levels of employee motivation

Better Management

Significance of Training

Fostered by technological advances, training is essential in every organization in its human resource development exercise .

- It is an essential, useful and productive activity for all human resources working in an organization, irrespective of the job positions that they hold.
- The basic purpose of training is to develop skills and efficiency. Every organization has to introduce systematic training programmes for its employees.
- trained personnel are like valuable assets of an organization, who are responsible for its progress and stability.
- It is considered as an important activity of managerial control.
- *It benefits both employers and the employees.*

Benefits of Training to the Employers

- *Imparting of new skills quickly*
- *Increased productivity*
- *Standardization of procedures*
- *Lesser need for supervision*
- *Economy of operations*
- *Higher morale*
- *Managerial Development*

Benefits of Training to Employees

- *New skills are acquired*
- *Career Advancement*
- *Higher earnings*
- *Resilience to change*
- *Increased safety*
- *Increased confidence*

Changing facets of training

- Training has *changed from training individuals to training teams of people*, comprising of members across the hierarchy.
- Training has *acquired an inter-group learning character*.
- Training is finding itself getting linked with the organizational development process. It is becoming a part of a higher-end corporate relearning exercise.
- Socio-technical systems are influencing the training processes in organizations.
- Target audience of training is also undergoing a compositional change. (There are more number of females and people from diverse ethnic groups and castes working in the organizations). This creates diversity in the training activity as well.
- Technologies, markets, government organizations, expectations are undergoing a rapid change, making Training a very imp function.
- Training extends beyond employees and includes clients, suppliers, publics as well, thus making organization into a learning system.

Roles and Responsibilities of the trainers

A trainer has many roles to play in order to make any training effective. The *Trainer acts as a Trainer, Provider, Consultant, Innovator, Manager*

1. The trainer (Imparting the Training) : It is a role that involves the trainer in helping people to learn, providing feedback about their learning and adopting course designs to meet trainees' needs.

This role may involve classroom teaching and instruction, laboratory work, small group work, supervision of individual project work and all those activities that directly influence immediate learning experiences.

2. The provider (Designing the Training) : This role relates to the design, maintenance and delivery of training programmes. Its scope is very wide. It involves training-needs analysis; setting objectives; designing courses; choosing appropriate methods; testing out and evaluating courses ; and helping trainers to deliver the training.

Roles and Responsibilities of the trainers (contd..)

3. The consultant :

- Here trainer is primarily concerned with *“analyzing business problems and assessing/recommending solutions, some of which may require training”*.
- This role concentrates on liaising with line managers; identifying their performance problems; advising on possible training solutions; working with trainers to finalise training programmes; advising training managers on training goals: and policies; and ensuring evaluation takes place and the results are used.

4. The innovator :

- As an innovator, a trainer is concerned with *helping organizations to manage the change effectively and to solve performance problems*. It involves:
- Working with managers at senior/middle levels.
- Providing support and help to managers in coping with change.
- Designing of seminars and workshops which can be a useful means of educating managers for change.
- Advising and planning the training function on how it can best help in the change process.

Roles and Responsibilities of the trainers (contd..)

5. The Manager :

A training manager's role is primarily concerned with planning, organizing, controlling and developing the training and development activity which involves the following functions:

- Setting training goals, policies and plans.
- Liaising with other departments and with senior managers about the contribution training can and should make to improving performance.
- Ensuring that appropriate training activities are designed, developed, delivered and evaluated.
- Acquiring and developing training staff; establishing effective lines of authority and communication within the training function.
- Monitoring quality standards and controlling activities against a total training plan.

Designing a Training programme

Some of the typical steps in designing a training programme are:

- (i) Identification of training needs.
- (ii) Setting training objectives.
- (iii) Organizational set-up for training
- (iv) Training operations.
 - Selection of the trainees
 - Training the trainer
 - Training period (duration)
 - Training Methods and material (pedagogy)
- (v) Evaluation of training.

Training Need Assessment (TNA)

Training need exists when there is a gap between the present skills and knowledge of its employees, and the skills and knowledge they require or will require for an effective performance.

TNA is important because of three contextual changes that occur in an organization

- Job Changes
- Person changes
- Performance Deficiencies

Scope of TNA : Three categories of the scope of training needs can be identified, as stated below:

- At the level of all individuals
- Specific groups in an organisation
- Particular individuals in an organisation

Types and Methods of Training

- **Types of training** : Some important types of training are :
 - Apprenticeship Training
 - Internship Training
 - Job related Training
 - Orientation or Induction Training
 - Refresher Training
 - Training for promotion
- **Methods of Training** : Various methods of training are classified as :
 - On-the-job training (Coaching, Special Assignments, Job Rotation)
 - Off-the-job training (special lecture-cum-discussion, Conference, Case study, Sensitivity training, Special projects, Committee assignments)
 - Vestibule training (which stimulates the job tasks during training)

Training Effectiveness

- Training effectiveness is the degree to which trainees are able to learn and apply the knowledge and skills acquired during the programme.
- It is influenced by the attitudes, interests, values and expectations of the trainees and the training environment.
- A training programme is likely to be more effective when the trainees want to learn, and link the training to their jobs and to their career plans

Essentials of Good training

- Training programme should be chalked out after identifying the training needs or goals. It should have relevance to the job requirements.
- It must be flexible and should make due care taken to accommodate the differences among individuals as regards ability, aptitude, learning capacity, emotional make-up, etc.
- It should prepare the trainees mentally before they are imparted any job knowledge or skill.
- It must be conducted by well-qualified and experienced trainers.
- An effective training programme should emphasize both theory and practice.
- It should have the support of the top management as it can greatly influence the quality of training.
- Lastly, an effective training programme should be supported by a system of critical appraisal of the outcome of the training efforts.

Newer challenges of training

The winds of change have brought about a paradigm shift in the ethos and philosophy of training.

Research suggested that the training of future should provide for the following features:

- Free the trainer from location constraints.
- Sustain the trainee's motivation and confidence.
- Protect the trainee from mistakes which could damage either him or his organization
- Encourage self analysis and insight.
- Eliminate blame and discouragement.
- Let the training be under trainee's control (location, content, duration)

Critical analysis of Training programmes in India

A lot of research has been done to evaluate the effectiveness of the training programmes in India. Though found to be effective there is scope of improvement.

Some of the interesting findings are:

- Duplication of effort can be avoided
- Need to be nearer to reality and relevant
- To be conducted by specialists rather than generalists
- TNA can be more result oriented
- Training locations should be with state of art facilities